

TEACHERS' RETIREMENT BOARD
INVESTMENT COMMITTEE

SUBJECT: Real Estate Consultant Contract

ITEM NUMBER: 6

ATTACHMENT(S): 2

ACTION: X

DATE OF MEETING: May 3, 2000

INFORMATION:

PRESENTER(S): Patrick Mitchell

EXECUTIVE SUMMARY

At the April 2000 Investment Committee meeting, staff was directed to provide a review of the real estate consultant's contract. Specifically, there were three aspects to be addressed as shown below:

1. Were the 12/31/99 semi-annual real estate reports accurately completed in a manner consistent with previous semi-annual reports?

Staff has reviewed the semi-annual real estate reports provided at the April Investment Committee meeting.

(A) The April reports were not completed in a manner consistent with previous reports. This has been corrected in the semi-annual reports provided at the May 3, 2000 Investment Committee.

(B) There are six elements in the E&Y Kenneth Leventhal's performance reports that are reported in a different manner in the Ziegler reports. Staff is reviewing the differences at the time of the preparation of this agenda item.

2. Describe the depth and breadth of Ziegler Company's real estate performance measurement experience.

Pension Consulting Alliance has provided a letter (Attachment 1) dated April 12, 2000 that describes the joint venture with E&Y Kenneth Leventhal and describes the depth and breadth of Ziegler Company's real estate performance measurement experience.

3. Has there been a substantial change in the real estate consulting product contained in the November 1997 Request for Proposal response from Pension Consulting Alliance and E&Y Kenneth Leventhal?

Investment Committee – Item 6

May 3, 2000

Page 2

A letter (Attachment 2) from E&Y Kenneth Leventhal Real Estate Group describes that there is a continuing relationship between Pension Consulting Alliance and E&Y Kenneth Leventhal.

Staff reviewed the November 1997 Request for Proposal response and compared the response to the current consulting product. The two main differences were: (1) substitution of Ziegler Company for E&Y Kenneth Leventhal in the performance measurement and reporting component, and (2) change in professional staff at E&Y Kenneth Leventhal.

NOTE: Attachments 1 and 2 are not available in electronic format.